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MEMORANDUM OF CONVERSATION

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(R)

May 11, 1953
4 p.m.

SUBJECT: Egypt

PLACE: Office of the Foreign Minister

PARTICIPANTS:

United States	Egypt
Honorable John Foster DULLES, Secretary of State	Mahmoud FAWZI, Minister for Foreign Affairs
Honorable Harold E. STASSEN, Director, Mutual Security Administration	Under Secretary for Foreign Affairs
Honorable Henry A. BYROADE, Assistant Secretary of State	Mohamed EL-KHOUNY, Assistant Secretary
Honorable Douglas MacARTHUR II, State Department Counselor	Legal Adviser, Foreign Office
Ambassador Caffery	
Mr. Lewis Jones	

Foreign Minister Fawzi welcomed the American group. The Secretary replied that he and his party were happy to be in Cairo and said that if we met more frequently with other countries, and had closer contact, it would be a good thing. The US has contractual arrangements with other countries regarding defense (NATO) but he would like the Foreign Minister to know that it has equal concern for Egypt. His party was here to find out what Egypt thinks of the problems which are also of concern to the US and what the US can do to help Egypt. The US is very much concerned with the Suez Base negotiations and would be glad to have any thoughts which the Egyptians wished to put forward.

The Foreign Minister opened his statement by speaking of the warm feeling of Egypt for Ambassador Caffery "who knows us so well". He was sure that the Ambassador must have reported how Egypt looks to the US as a world leader. "Our corner of the world" is striving to get on its feet and to make the area strong. It must overcome the weaknesses that are a temptation to aggression. Social and economic problems are as important as political problems. The agricultural reform law is an example of the kind of project which Egypt has in mind. He referred to the Aswan Dam which, he said, would increase the area of arable land by one-third to one-half.

The Secretary

The Secretary interrupted to say that he had talked with Mr. Black of the IBRD and that the latter was definitely interested in the dam project and said he thought he could do something to help. The Foreign Minister said that Egypt was pleased by Mr. Black's useful and instructive visit. Egypt hoped that the new dam would provide both electricity and steel. Another project Egypt had in mind was harnessing the Katarah Depression for electric power. Egypt has just established a new province. Egypt believes that its economic projects are sound. Egypt will have to depend on "friends" for capital and know-how. He said that he was not asking for anything. He was "just giving the picture".

The Foreign Minister then referred to the Anglo-Egyptian "discussions". He said Egypt had approached these discussions in the "shirt-sleeved, American way" and was trying to be constructive. Egypt felt that the difficulties with the UK were "practical matters to be dealt with practically".

It was not realistic to say, however, that there could be any peace, or constructive work in Egypt, so long as British armed forces or "British controlled persons are on our land". The crux of the difficulties in these discussions is that while the UK has conceded that the territory of the base is under Egyptian sovereignty and control (i.e., has agreed regarding the land) the British want "technical management" of the base. The British agree that their installations and facilities will be turned over to Egypt but they insist on "technical management". Egypt is ready to concede that some technicians - even British technicians - can be left behind, but these must be in the employ of the Egyptian Government.

Fawzi said that British objection to their technicians being Egyptian Government employees is that Egypt can hire or fire them. All Egypt can say to the UK on this point is "Have faith in us" and to promise that it would not capriciously hire and fire.

The Foreign Minister referred to London's desire to have direct communication with the technicians in the base. He said that as a matter of sovereignty Egypt must insist that communications to the technicians take place through the Egyptian Government and Egyptian authorities.

The Foreign Minister said that if good faith and no hidden, unacceptable policies are involved, it would be surprising if Egypt and the UK cannot agree. However, Egypt cannot accept what Egypt conceives as a definite infringement on Egyptian sovereignty.

What Egypt

What Egypt can accept is a minimum number of British experts in the base as Egyptian employees and under Egyptian control for a limited time until Egyptians are trained.

The UK point of view is that British technicians must remain in the base in control of British property so long as British property exists there. This is an important point for Egypt: Egypt cannot see the equipment used as a pretext for outside control on Egyptian soil.

Speaking solemnly, the Foreign Minister said that time is not entirely at Egypt's service or command. Public opinion evolves and cannot be stopped by driving nails into it: "The less time we lose the better is the hope of a solution."

In connection with any signed agreement, he was reminded of a "famous piece of paper" - the MEDO proposals. He said that MEDO is now "definitely out of focus". "There are sometimes a profound difference between signed papers and the nature of things". He said "Perhaps we are not Communists now. We do not want to be, but this situation might change."

The Foreign Minister said that the US would have to take Egypt's word that Egypt's strength would not be used against the Western world but against aggressors from "other quarters". However, if too much of a formal undertaking is now put on paper this might touch off difficulties.

He wished to reiterate that as long as the UK insists on its position regarding the base there is no hope of an agreement.

Before answering any questions the Secretary might like to ask, the Foreign Minister said he had two other items he would like to mention.

He was informed that his friends were very worried about the Secretary accepting an invitation to lunch at Jerusalem since this to some extent vitiated the fine US stand regarding the internationalization of Jerusalem.

The Foreign Minister then returned to his earlier theme.

He said the Egyptians do not expect miracles. They would like to see the US measure up to its role of leadership which the US cannot escape. He said he could not conceive of the Arab Moslem people being

happy

happy so long as the UK holds its present position in Egypt. He said that the choice for the UK is (a) holding on to the base against the will of the people or (b) befriending the people and thus having their willing cooperation at all times. The Foreign Minister said he was not a military expert. (The Secretary interjected that both he and the Foreign Minister had military men as their bosses.) He believed that a base held against the will of the population was of little use.

The Foreign Minister said that Egypt was anxious to build up Egypt and Egyptian strength. It believes in self-help and is willing to spend up to its capacity on social and economic reforms. It hopes that interested friends will contribute the difference between what Egypt can supply and what is needed. However, this cannot be done in such a way as to infringe the sovereignty or rights of the Egyptian people.

The Foreign Minister said that the last meeting of the Arab League resolved to put the Arab League Collective Security Pact into operation and to strengthen it. All Arab States are trying to build up their economic and social strengths and success in these two fields is the best source of national strength. Just as Egypt has in m[illegible] many real projects, so too does the rest of the Arab World. The Arab League is considering the idea of a network of international roads in the area. Very importantly, there will be a meeting of the Arab League Finance Ministers next month. One item on their agenda will be the establishment of an Arab Investment Bank.

The Foreign Minister said he wished to remind the Secretary that as long as present conditions in and around Israel (he used the word "Palestine") continue, it is beyond the bounds of possibility that real peace will exist in the Middle East. The refugees represent a terrible human and social problem. Moreover, not only had Palestine been partitioned - the Arab world had been partitioned by Israel.

The Foreign Minister said that either now, or in the future, Egypt was always open to constructive ideas as to how it might contribute to world peace and stability. He was aware of the many anti-Communist measures undertaken by the US but he said that many people feel that delay in solving the problems in the Middle East in a decent way is one of the best ways to make C[illegible]ists. Situations produced attitudes.

He asked for questions.

The Secretary

The Secretary said that in regard to Jerusalem he would like to make it clear there is no political significance to his visit there. To him, as a Christian, Jerusalem is a very sacred place which he had long wanted to see. He did not know exactly who he would see there but Jerusalem was only incidental to his visit to the area generally. (The Foreign Minister said he had mentioned Jerusalem "only as a friend".)

The Secretary said he had no idea that political implications would be attached to his visit to Jerusalem. Personally, he had always believed in a large measure of internationalization and had always adhered to the broad lines of this UN Resolution.

The Foreign Minister inquired whether he would be seeing any Arabs in Jerusalem.

The Secretary said he would try to see some Arabs.

The Foreign Minister said that the Arab friends of the US would not like to see the US lose credit for blocking the transfer to Jerusalem of the capital of Israel.

The Secretary said that he was not criticizing the past President or his Administration. The Administration to which he belonged was trying to work out a Middle Eastern policy on the basis of enlightened self-interest of the US as a whole. "I do not mean self-interest of particular groups of Americans." The Foreign Minister might rest assured that if anything happens inconsistent to what he had just said, the Administration would try "to keep the scales in balance".

The Foreign Minister said that he welcomed these assurances and hoped that there would be few "accidents".

The Secretary said he would be interested in knowing the exact status of the present negotiations with the UK.

The Foreign Minister replied "at the sixth and so far the last meeting" the UK and Egypt had exchanged draft proposals and counterproposals. After this the UK had come to the Egyptians and said the British Government would not accept the Egyptian proposals. He said that the UK seemed to think that some reply should be made by Egypt; "Our position is that we have already given the British our answer in the negotiations."

The Foreign Minister

The Foreign Minister said he would like to stress the fact that what is involved is Egyptian sovereignty. He did not feel it was a matter of words. It was a matter of fundamental position. Egypt would never accept non-Egyptian experts here "in control of anything". Egypt believed in efficiency and felt that it must work out a way so that efficiency and sovereignty could go together.

The Secretary said that "sovereignty" is a very difficult word.

The Foreign Minister interrupted to say that he was "not talking about books" and the definition of sovereignty which would be found in books.

The Secretary said that in a sense every treaty signed by a country infringes its sovereignty: no individual and no nation are every entirely sovereign. He said that in the UK, where the US has bases, US technicians get US orders and this is as it should be.

The Foreign Minister warned against the danger of comparisons. England was England and Egypt was Egypt. The Egyptian people would never accept it. Already the Egyptian Government had "taken a great deal on itself" in agreeing to permit some British technicians to remain.

The Secretary cited as an example a British or a US firm located in Egypt. He was sure that such a firm could receive direct communications from its home office. He had in mind a firm like the Ford Motor Company. The Foreign Minister replied that no one could say that the Ford Motor Company is infringing Egyptian sovereignty.

The Secretary referred to the great quantities of stores in the base which were the property of the UK. He could not see how these stores could be useful if not under the instructions from their owner.

The Foreign Minister said that Egypt was prepared to accept the idea that the directives should come from London but it was important that they pass through Egyptian hands. The Egyptians could work out a system whereby they could be passed on promptly.

It being 4:55 the conference broke up to proceed to the Presidency where General Naguib was waiting.